Reg. No. RNP/GOA/32/2024-2026

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Panaji, 10th October, 2025 (Asvina 18, 1947)

SERIES II No. 28

OFFICIAL GAZETTE

GOVERNMENT OF GOA

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EXTRAORDINARY

Department of Finance

Office of the Commissioner of Commercial Taxes

No. CCT/26-4/2025-26/H/3029 Date : 10-Oct-2025

Subject: Clarification on various doubts related to treatment of secondary or post-sale discounts under GST-reg.

Ref.: Circular No. 251/08/2025-GST dated 12th September, 2025 issued under the Central Goods and Services Tax Act, 2017 by the GST Policy Wing, Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Government of India, New Delhi.

Circular

(No. 01/2025-26-GST)

The GST Policy Wing, Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Government of India, New Delhi has issued the above referred Circular.

For the uniformity in implementation and in exercise of the powers conferred under Section 168 of the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017) it is hereby directed that the Said Circular issued by the GST Policy Wing, Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Government of India shall be applicable, *mutatis mutandis*, in implementation of the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017).

A copy of the above referred circular is attached herewith as **Annexure.**

Difficulty, if any, in implementation of this circular may please be brought to the notice of the undersigned.

Given under the seal of this office.

Vishant S. N. Gaunekar, Commissioner of State Taxes, Goa.

Panaji.

ANNEXURE

Circular No. 251/08/2025-GST

F. No. CBIC-20001/3/2025-GS-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

North Block, New Delhi
Dated the 12th September, 2025

To,

The Principal Chief Commissioners/Chief Commissioners of Central Tax (All)

The Principal Director Generals/Director Generals (All)

Madam/Sir,

Subject: Clarification on various doubts related to treatment of secondary or post-sale discounts under GST-reg.

Representations have been received seeking clarifications in respect of tax treatment in cases of secondary discounts or post-sale discount.

2. The matter has been examined. In order to ensure uniformity in the implementation of the law across the field formations, the Board, in exercise of its powers conferred under sub-section (1) of Section 168 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the CGST Act") clarifies the issues as under:

S. No.	Issue	Clarification
1.	Whether the full input tax credit is available to the recipient of supply when the recipients make discounted payments to the supplier of goods on account of financial/ /commercial credit notes issued by the said supplier?	1. Section 16 (1) of the CGST Act, 2017 provides that every registered person shall be entitled to take credit of input tax charged on any supply of goods or services or both, which are used or intended to be used in the course or furtherance of his business. 2. It has been clarified vide circular No. 92/11/2019-GST dated 7th March, 2019 that the supplier of goods can issue financial/commercial credit notes and in such cases, he will not be eligible to reduce his original tax liability. As the transaction value is not allowed to be reduced on account of issuance of financial/commercial credit note, accordingly the tax charged from the recipient would also not get reduced. 3. Thus, it is clarified that the recipient will not be required to reverse the Input Tax Credit attributed to the discount provided on the basis of financial/commercial credit notes issued by the supplier, as there is no reduction in the original transaction value of the supply and accordingly the corresponding tax liability would also not get reduced.
2.	Whether a post-sale discount offered by a manufacturer to its dealer/distributor, would be treated as a consideration paid by the manufacturer for the dealer's supply of the same goods to the end customer as a monetary value of the inducement to supply of goods manufactured by him to the end customer?	1. Section 2 (31) of the CGST Act, 2017 defines consideration as to include the monetary value of any act for the inducement of the supply of goods or services, whether by the recipient or by any other person. 2. In cases where there is no agreement between the manufacturer and the end customer, there are two independent sale transactions, one from the manufacturer to the dealer and the other from the dealer to the end customer. The essence of the matter is that in a contract of sale, the sale is completed on the transfer of title to the goods to the buyer. Once this happens, the buyer becomes the owner of the goods, and the seller has no vestige of the title or claims therein. The dealer takes ownership of the goods purchased from the manufacturer and subsequently sells them to the end customer and transaction between the manufacturers to dealer operates

		on a principal-to-principal basis. These discounts are simply given for competitive pricing to push sales and merely reduce the sale price of the goods and are not linked to any independent activity rendered to the manufacturer. Therefore, it is clarified that such a discount cannot be included in consideration as the monetary value of the inducement of further supply of these goods. 3. However, in cases where the manufacturer has some agreement with an end customer to supply goods at a discounted price, the manufacturer may issue commercial or financial credit notes to the dealer, enabling such dealer to provide the goods at the agreed discounted rate to the end consumer. Therefore, it is clarified that such a post-sale discount, given by the manufacturer to the dealer for supplying goods to the end customer at a discounted rate, should be included in the overall consideration as it is an inducement towards the supply of goods by the dealer to the end customer.
3.	Whether a post-sale discount extended by the manufacturer to the dealer can be treated as a consideration in lieu of the activities performed to promote the sale of the goods?	1. The matter has been examined. When dealers receive such post-sale discounts, they may engage in promotional activities to boost sales. However, these activities ultimately enhance the sale of goods that the dealers themselves own, thereby increasing their own revenue. In this context, the discount merely reduces the sale price of the goods and is not linked to any independent service rendered to the manufacturer. Therefore, it is clarified that post-sale discounts offered by manufacturers to dealers in such cases shall not be treated as consideration for a separate transaction of supply of services. 2. However, GST would be leviable in cases where a dealer undertakes specific sales promotional activities, such as advertising campaigns, co-branding, customization services, special sales drives, exhibition arrangements, or customer support services, etc., only when such services are explicitly stated in the agreement with a clearly defined consideration payable for such a supply. In such cases, the dealer provides a distinct service to the supplier, and accordingly, GST would be chargeable.

3. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

4. Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

(Gaurav Singh)
Commissioner (GST).

No. CCT/26-4/2025-26/H/3030 Date : 10-Oct-2025

Subject: Withdrawal of circular No. 06/2024-2025-GST dated 30th July, 2024–reg.

Ref.: Circular No. 253/10/2025-GST dated 1st October, 2025 issued under Central Goods and Services Tax Act, 2017 by the GST Policy Wing, Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Government of India, New Delhi.

Circular

(No. 02/2025-26-GST)

The GST Policy Wing, Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Government of India, New Delhi has issued the above referred Circular.

For the uniformity in implementation and in exercise of the powers conferred under Section 168 of the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017) it is hereby directed that the Said Circular issued by the GST Policy Wing, Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Government of India shall be applicable, *mutatis mutandis*, in implementation of the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017).

A copy of the above referred circular is attached herewith as **Annexure.**

Difficulty, if any, in implementation of this circular may please be brought to the notice of the undersigned.

Given under the seal of this office.

Vishant S. N. Gaunekar, Commissioner of State Taxes, Goa.

Panaji.

ANNEXURE

Circular No. 253/10/2025–GST

F. No. CBIC-20001/3/2025-GST

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

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North Block, New Delhi,
Dated the 1st October, 2025

To,

The Principal Chief Commissioners/Chief Commissioners (All)

The Principal Directors General/Directors Generals (All)

Madam/Sir,

Subject: Withdrawal of circular No. 212/6/2024-GST dated 26th June, 2024–reg.

Kind attention is invited to circular No. 212/6/2024-GST dated 26th June, 2024 wherein clarifications were given in relation to mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers.

2. In order to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by Section 168(1) of the Central Goods and Services Tax Act, 2017, hereby withdraws circular No. 212/6/2024-GST dated 26th June, 2024. Therefore, the procedure prescribed vide the aforesaid circular for providing evidence of compliance of conditions of Section 15(3)(b)(ii) shall not be required.

3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in implementation of this circular may please be brought to the notice of the Board.

Yours faithfully,

(Gaurav Singh)
Commissioner (GST).

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